

## CHECKLIST ENVIRONMENTAL ASSESSMENT

<b>Project Name:</b>	2008 Land Banking – Dillon Unit – CLO – Sec.16 T7S – R7W
<b>Proposed Implementation Date:</b>	2008
<b>Proponent:</b>	This tract was nominated by the lessee in 2005( John McCollum),since then the new lessee has changed to Erb Livestock Corp, and they want to continue to proceed with the purchase of this section. The section is being brought forward now by DNRC.
<b>Location:</b>	T7S, R7W, section 16, 640 acres Total Acres: 640
<b>County:</b>	Beaverhead County
<b>Trust:</b>	Common Schools

### I. TYPE AND PURPOSE OF ACTION

Offer for Sale at Public Auction 640 acres of state land currently held in trust for the benefit of Common Schools, (sec 16, T7S-R7W). Revenue from the sale would be deposited in a special account, with monies from other sales around the State, to purchase replacement lands meeting acquisition criteria related to legal access, productivity, potential income and proximity to existing state ownership which would then be held in trust for the benefit of the same beneficiary Trusts in relative proportion. The proposed sale is part of a program called Land Banking authorized by the 2003 Legislature, and updated by the 2007 Legislature. The purpose of the program is for the Department of Natural Resources and Conservation to overall, diversify uses of land holdings of the various Trusts, improve the sustained rate of return to the Trusts, improve access to state trust land and consolidate ownership. Three maps are attached to this EA checklist: 1. Labeled "Dillon Unit Land Banking 2008 Beaverhead County" is a general map of all state land within the county (blue) and those parcels of land considered for sale under land banking (red). 2. Labeled "Appendix B" is vicinity map showing the location of the proposed parcels covered under this EA checklist. 3. Labeled "Appendix C" is a satellite imagery map that indicates the tracts considered for sale in the EA checklist.

### II. PROJECT DEVELOPMENT

#### 1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

*Provide a brief chronology of the scoping and ongoing involvement for this project.*

- A letter was distributed in September 2004 to all state surface lessees informing them of the Land Banking Program and requesting nominations be submitted by lessees between October 1, 2004 and January 31, 2005. *(These tracts were nominated at that time and are now being considered as part of the second Statewide round of Land banking sales.)*
- Legal notices were published in the Dillon Tribune on 3/19/08 & 3/26/08 and, in the Montana Standard on 3/23/2008 and 3/30/08.
- Direct mailings were made to lessees, adjacent land owners, County Commissioners, State Legislators (from the involved Districts and who were associated with the legislation), and a host of organizations and individuals who had expressed previous interest in this process. A full listing of contacts is attached as "Appendix D".
- Follow-up contacts were made by phone, mail, or email with parties requesting additional information. These are also included in "Appendix D".
- The tracts were also posted on the DNRC web page at, <http://dnrc/mt.gov/TLMSPublic/LandBanking/LBTest.aspx>

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## 2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

No other governmental agencies have jurisdiction over this proposal.

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## 3. ALTERNATIVES CONSIDERED:

Alternative A (No Action) – Under this alternative, the State retains the existing land ownership pattern and would not sell the 640 acres of Common Schools Trust Land contained in Section 16 T7S – R7W.

Alternative B (the Proposed action) – Under this alternative, the Department would request and recommend approval by the Land Board to sell the proposed land locked tracts. If approved by the Board, the sale would be at public auction, subject to the requirements found in Title 77, Chapter 2, Part 3 of the Montana Codes Annotated. The income from the sale would be pooled with other land sale receipts from across the State to fund the purchase of other state land, easements, or improvements for the beneficiaries of the respective trusts. *(The State would then review available lands for sale which would generally have access and an increased potential for income. A separate public scoping and review would be conducted when a potentially suitable parcel was found. It is not possible for this analysis to make any direct parcel to parcel comparisons.)*

### III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

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## 4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

*Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.*

A variety of soil types are found across these tracts. USDA – NRCS soil survey indicated Land Capability Classification is 4E, and 6E soils. The majorities of these proposed acres are made up of (4E) gravelly loam which have severe limitations for crop ground, and the 6E soils are stony Cabbart complex best suited for rangeland. The 6E soils are poorly suited for cultivated crops because of steepness of slopes and rock out crops. *("Class 4 soils have very severe limitations that reduce the choice of plants or that require very careful management or both. Soils in classes 5, 6, 7 are generally not suitable for mechanized productions without special management. Capability subclasses indicate the dominant limitations in the class, E, shows that the main hazard is the risk of erosion unless a close growing plant cover is maintained." From USDA-NRCS Soil Survey).* Topography is rolling with steep rocky ridges scattered in the section. These tracts are surrounded by native rangeland contained in large pastures historically used for livestock grazing. It is unlikely these tracts would be broke for agricultural production in the future. The proposal does not involve any on the ground disturbance, so there are no soil effect differences between the alternatives. It is expected that this land will be used for livestock grazing in the future. The State owns, and would retain ownership of, all mineral rights associated with these tracts.

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**5. WATER QUALITY, QUANTITY AND DISTRIBUTION:**

*Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.*

There is a recorded water right for this section. The State owns a water right for stock use in Sec 16, T7S – R7W associated with the proposed tract for sale. Other water quality and/or quality issue will not be impacted by the proposed action.

legal	Water right no.	Purpose	Source	Priority date
Sec 16, T2S-R7W	41B 137165	Stock Water		

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**6. AIR QUALITY:**

*What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.*

The proposal does not include any on-the-ground activities, or changes to activities. No effects to air quality would occur.

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**7. VEGETATION COVER, QUANTITY AND QUALITY:**

*What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.*

This tract is native rangeland situated 8 miles east of Dillon off of the Sweetwater Road. Species composition is dominated by grasses which include, blue bunch wheatgrass, winter fat, needle and thread grass, thread leaf, and blue grass. Sub-dominate species include various forbs and shrubs. Current range condition varies from good to excellent with an estimated carrying capacity or stocking rate assessed at 0.19 AUMs per acre.

Vegetation may be affected by numerous land management activities including livestock grazing, development, wildlife management or other agricultural use. It is unknown what land use activities may be associated with a change in ownership; however the vegetation on these tracts is typical of land throughout the vicinity and there are no known rare, unique cover types or vegetation on the tracts. It is expected that this land will be used for grazing livestock in the future. The nominating lessee has indicated that if they purchased these tracts, the land use would remain as grazing land. The proposal does not include any on-the-ground activities, or changes to activities and therefore we do not expect direct or cumulative effects would occur to vegetation as a result of the proposal.

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**8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:**

*Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.*

The area is not considered critical wildlife habitat. However, these tracts provide habitat for a variety of big game species (elk, mule deer and antelope), predators (wolf, coyote, fox & badger), other non-game mammals, raptors and various songbirds. The proposal does not include any land use change which would yield changes to the wildlife habitat. The proposed action will not impact wildlife forage, cover, or traveling corridors. Nor will this action change the juxtaposition of wildlife forage, water, or hiding and thermal cover.

The nominating lessee's have indicated that if they purchased these tracts, the land use would remain as grazing land. There are no unique or critical wildlife habitats associated with the state tracts and we do not expect direct or cumulative wildlife impacts would occur as a result of implementing the proposal. The proposed action will not have long-term negative effects on existing wildlife species and/or wildlife habitat because of its relatively small scale.

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**9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:**

*Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.*

No specific on-site observations of Threatened or Endangered species have been recorded and no important habitat has been identified on the state lands. A review of Natural Heritage data through NRIS was conducted and no known threatened or endangered species use this section. The survey identified that Gray Wolf may be in the vicinity of this section.

The proposal does not include any activities which would alter any habitat, so no effects are expected in either alternative.

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**10. HISTORICAL AND ARCHAEOLOGICAL SITES:**

*Identify and determine effects to historical, archaeological or paleontological resources.*

A class III level inventory and subsequent evaluation of cultural and paleontologic resources will be carried out if preliminary approval of the parcel nomination by the Board of Commissioners is received. Based on the results of the Class III inventory/evaluation the DNRC will, in consultation with the Montana State Historic Preservation Officer, assess direct and cumulative impacts.

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**11. AESTHETICS:**

*Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.*

These tracts are located in a foothill agricultural area and do not provide any unique scenic qualities that's not provided by adjacent private land. The proposal does not include any on-the-ground activities, so there would be no change to the aesthetics in either alternative.

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**12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:**

*Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.*

There are 5,159,410 acres of Trust land in Montana (TLMS power search, 11/29/2007). There are approximately 334,478 acres of Trust land in Beaverhead County. This proposal includes 640 acres, a small percentage of the state land within the County.

There are additional tracts of state land currently under consideration for sale through the Land Banking Program in Beaverhead County and throughout the state. In Beaverhead County there are approximately 750 acres of additional acres being considered for Land Banking sale. An additional 20,000 acres of trust land is being evaluated state wide under separate analysis.

The potential transfer of ownership will not have any impact or demands on environmental resources of land, water, air or energy.

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**13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:**

*List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.*

There are no other projects or plans being considered on the tracts listed on this EA.

There is one tract containing 640 acres in Beaverhead County proposed for sale under the Land Banking Program and being evaluated under this EA. Other proposed tracts being considered in Beaverhead County will be covered in another Environmental Assessments.

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IV. IMPACTS ON THE HUMAN POPULATION
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| <ul style="list-style-type: none"><li>• <i>RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.</i></li><li>• <i>Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.</i></li><li>• <i>Enter "NONE" If no impacts are identified or the resource is not present.</i></li></ul> |
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**14. HUMAN HEALTH AND SAFETY:**

*Identify any health and safety risks posed by the project.*

No impacts to human health and safety would occur as a result of the proposal.

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**15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:**

*Identify how the project would add to or alter these activities.*

The tract included in this proposal is leased by Erb Livestock Inc. Sale of the land to Erb Livestock Inc would add to their ranching operations. Below is a table that indicates the State rated carrying capacity of the tract being considered for sale.

Legal	Acres	Lease #	State rated carrying capacity
Sec 16 T7S – R7W	640	2511	123 AUM

This proposal does not include any specific changes to the agricultural activities. The nominating lessee indicated that grazing would continue unchanged if they purchased these lands.

No direct or cumulative impacts are anticipated as a result of the proposal.

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**16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:**

*Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.*

The proposal would have no affect on quantity and distribution of employment.

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**17. LOCAL AND STATE TAX BASE AND TAX REVENUES:**

*Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.*

State School Trust Lands are currently exempt from property tax. If State Trust Lands represent 6% or greater of the total acres within a county, a payment in lieu of taxes (PLT) is made to the counties to mitigate for the State Trust Land tax exempt status. Counties will not realize an adjustment in the PLT payment as a result of an increase or decrease in State Trust Land acreage. If all the parcels in this proposal are sold, and use continued as grazing land, Beaverhead County would receive ~ \$358.40 annually in additional property tax revenues.

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**18. DEMAND FOR GOVERNMENT SERVICES:**

*Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services*

Being remote grazing lands, no traffic changes would be anticipated. These parcels of state ground are currently protected under the County Coop protection program. The proposed sale would add land to the county fire protection area, 640 acres if all lands are sold.

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**19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:**

*List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.*

These tracts are surrounded by private land. There are no zoning or other agency management plans affecting these lands.

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**20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:**

*Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.*

Montana FWP commented that "FWP would recommend not disposing of lands that are generally available (accessible) to the recreating public". This tract is not legally accessible to the general public because they are surrounded by private land. If the tracts are sold, hunting access would be controlled by the new landowner as is the current situation.

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**21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:**

*Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing*

The proposal does not include any changes to housing or developments. The nominating lessee has indicated that the lands would continue as grazing lands, if they purchase them at auction. No effects are anticipated.

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**22. SOCIAL STRUCTURES AND MORES:**

*Identify potential disruption of native or traditional lifestyles or communities.*

There are no native, unique or traditional lifestyles or communities in the vicinity that would be impacted by the proposal.

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**23. CULTURAL UNIQUENESS AND DIVERSITY:**

*How would the action affect any unique quality of the area?*

The State Trust lands in this proposal are currently managed for grazing. The State lands are generally indistinguishable from the adjacent private lands, with no unique quality.

The potential sale of the state land would not directly or cumulatively impact cultural uniqueness or diversity. It is unknown what management activities would take place on the land if ownership was transferred. The tracts were nominated by the lessee with the intent of purchasing and continuing use as grazing land.

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**24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:**

*Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.*

Legal	acres	2008 Lease Income	Income per acre
Sec 16	320	\$853.62	\$1.33
<b>TOTAL</b>	<b>640</b>	<b>\$853.62</b>	<b>\$1.33</b>

The statewide stocking rate for grazing land on 4.3 million acres averages 0.26 AUMs per acre or a total of 1.11 million AUMs (2006 DNRC Annual Report). 2006 statewide grazing land gross revenue was \$6.98 million (\$6.99 per AUM) on 4.3 million grazing acres for an average income of \$1.62 per acre (2006 DNRC annual Report) This parcel nominated for sale is below the average statewide stocking rate and income for grazing land. The tract is isolated and does not have county road access to it.

One of the neighboring land owners has stated that the section has two public roads accessing this section and private land beyond. Public R/W across state lands can be established by providing evidence the road was in use by the public prior to the state acquiring the parcel or by the County purchase of an easement. DNRC does not have a record of a recorded easement on this parcel. Beaverhead County does have record of a public R/W across the State land or the private lands accessing the State parcel. We searched the Department files and GLO plats for evidence of public use prior to the state acquiring the parcel (1889) and could not find any. Consequently there currently is not a public R/W across the state parcel.

An appraisal of the property value has not been completed to date. Under DNRC rules, an appraisal would be conducted if preliminary approval to proceed is granted by the Board of Land Commissioners. The Department is conducting more detailed evaluations at this time in order to make a determination on whether to offer the tracts for sale. The revenue generated from the sale of these parcels would be combined with other revenue in the Land Banking Account to purchase replacement property for the benefit of the Trust. It is anticipated the replacement property would have legal access and be adjacent to other Trust lands which would provide greater management opportunities and income. If replacement property was not purchased prior to the expiration of the statute, the revenue would be deposited into the permanent trust for investment.

<b>EA Checklist Prepared By:</b>	<b>Name:</b> Tim Egan <b>Title:</b> Dillon Unit Manager, Central Land Office	<b>Date:</b> April 25 , 2008
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## V. FINDING

### 25. ALTERNATIVE SELECTED:

I have selected the Proposed Alternative B, recommend the tract receive preliminary approval for sale and continue with the Land Banking process.

### 26. SIGNIFICANCE OF POTENTIAL IMPACTS:

I have evaluated the comments received and potential environment affects and have determined significant environmental effects would not result from the proposed land sale. This parcel does not have any unique characteristics, critical habitat or environmental conditions indicating the tract should necessarily remain under management by the Department of Natural Resources and Conservation. There are no indications it would produce substantially greater revenue or have substantially greater value to the trust in the near future.

This parcel is surrounded by private land and has below average grazing productivity and income when compared to other state grazing parcels across the state. The question of an existing public R/W was raised by a nearby landowner. However, DNRC does not have any evidence of a public R/W existing prior to acquisition by the state of the parcel in 1889 and does not have an easement on record. There also has not been a determination through the courts of a public R/W across the private lands surrounding the state parcel. Therefore a public R/W does not currently exist and DNRC considers the parcel as inaccessible for public recreational uses unless permission to access the state parcel is granted by an adjacent landowner. In any event, the parcel does not contain unusual or exceptional public recreational value. DNRC rules prohibit the sale of a parcel which would extinguish access to adjacent private land without first providing an opportunity to submit an application to purchase an easement. In this instance the existence of a public R/W to the state land has not been demonstrated and therefore there currently is no access right to extinguish. In the event evidence is provided and the courts determine a public road does indeed exist on the private land surrounding the state parcel, the same evidence would apply to the road across the current state parcel and the sale of the parcel would not affect future use of the road.

### 27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

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EIS

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More Detailed EA

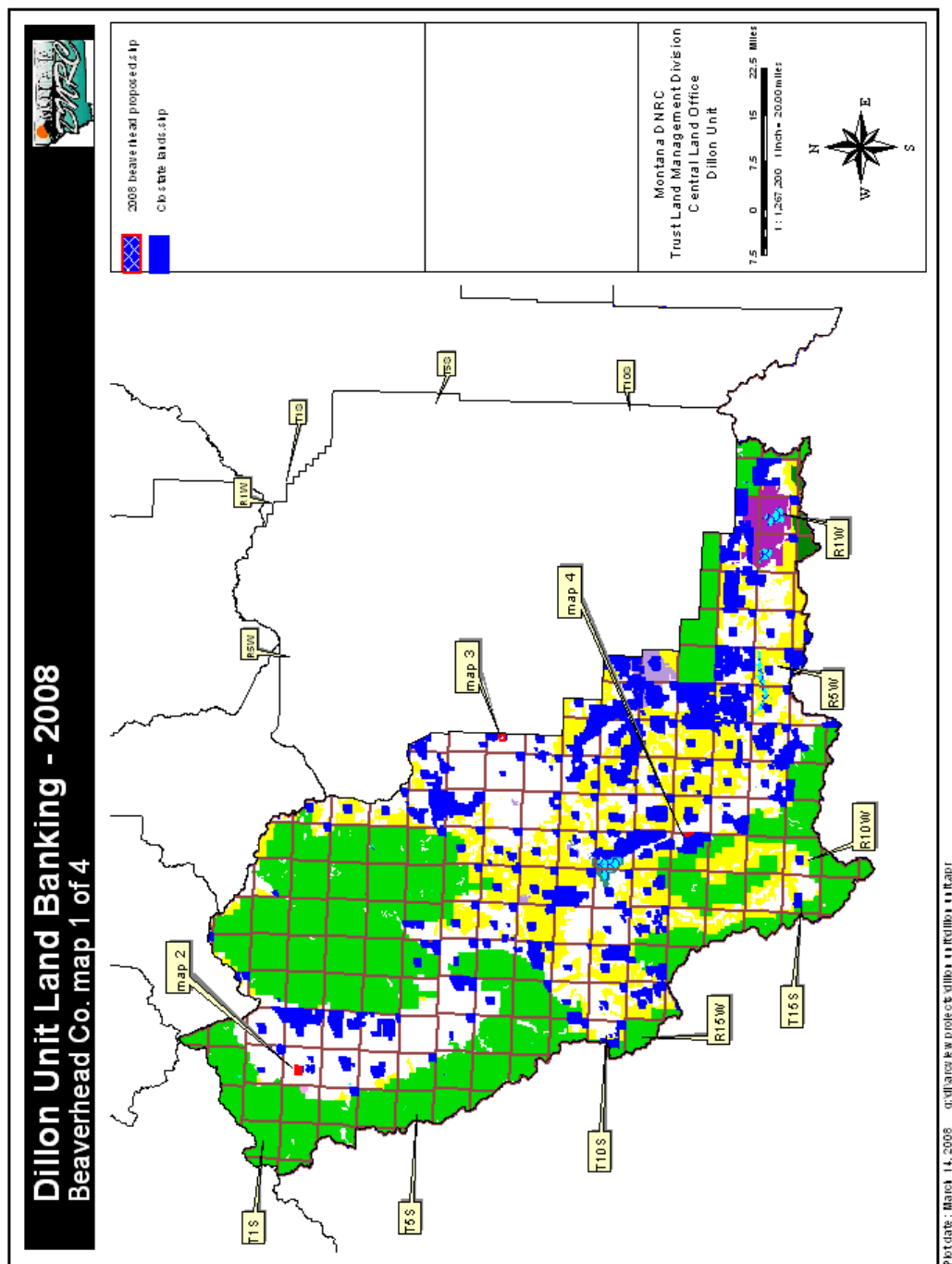
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No Further Analysis

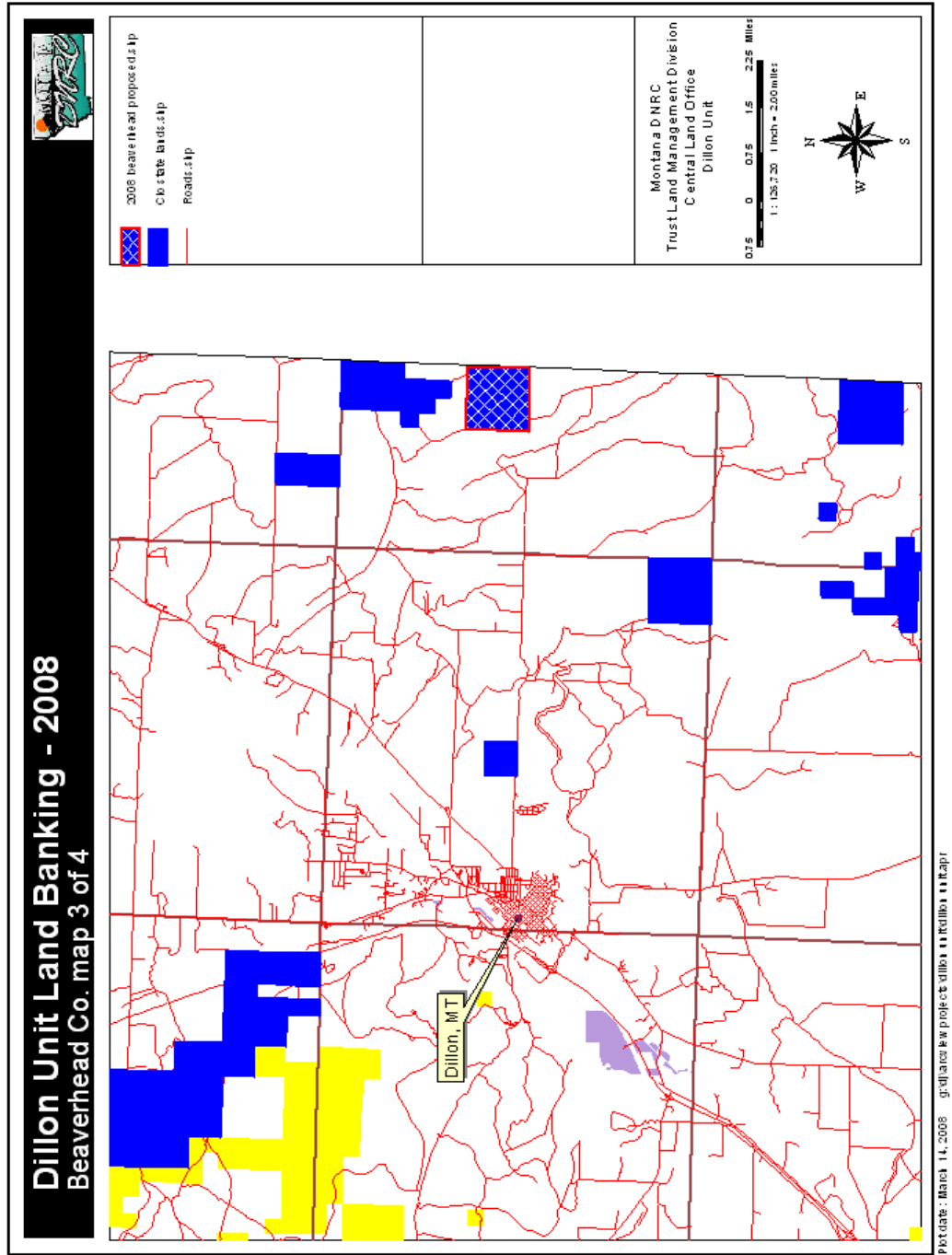
<b>EA Checklist Approved By:</b>	<b>Name:</b> GARRY WILLIAMS
	<b>Title:</b> Area Manager, Central Land Office
<b>Signature:</b> /S/ Garry Williams	
<b>Date:</b> April 30, 2008	



## Appendix A



## APPENDIX B

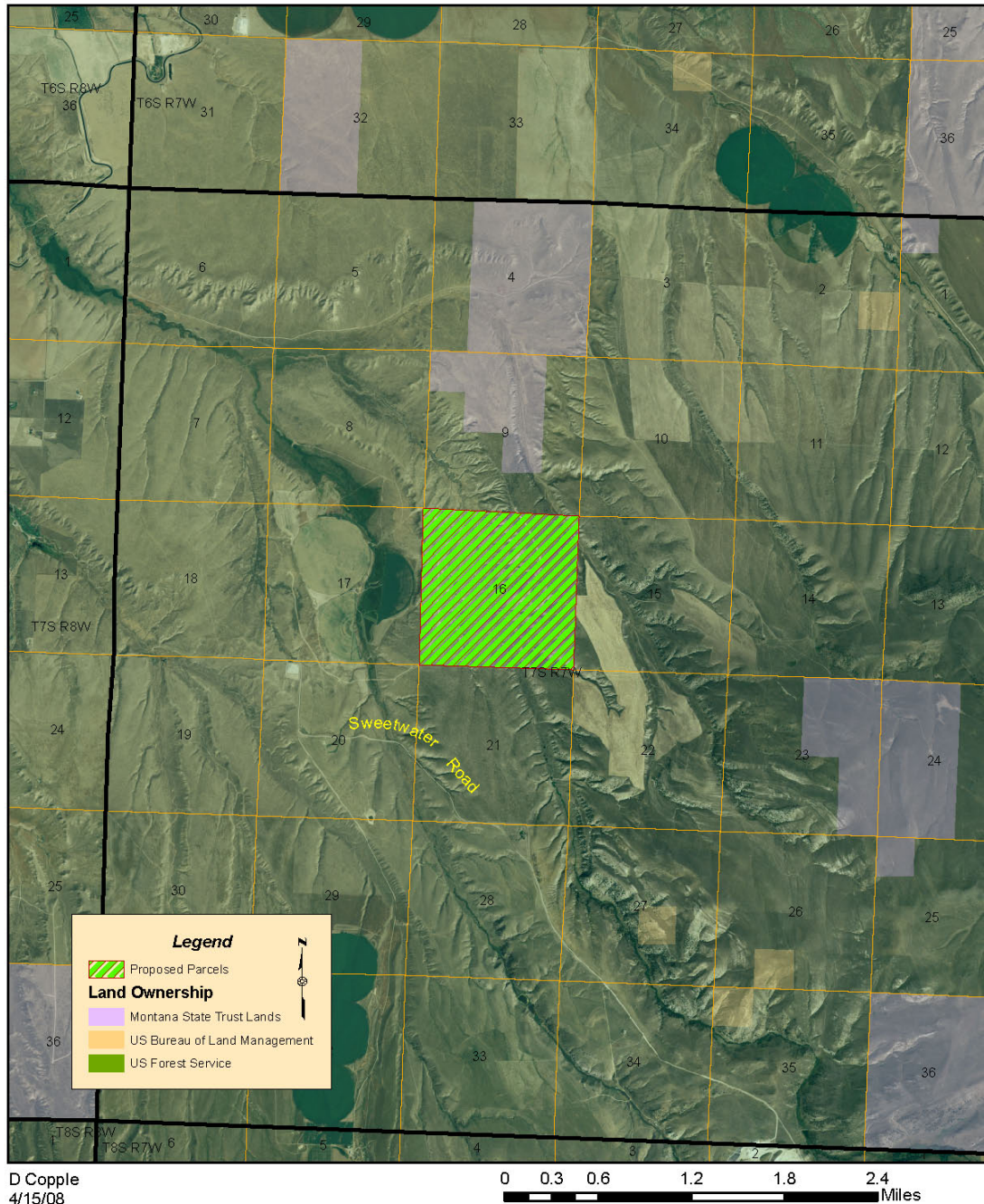


# APPENDIX C

## Land Banking Proposal - Beaverhead County

Appendix C

T7S, R7W, Section 16



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4/15/08

## APPENDIX D

### Land Banking Contacts Beaverhead County 2008 Dillon Unit Proposals

Person	Organization	Address
Tom Rice	Beaverhead County Commissioner	2 South Pacific St, Dillon, MT 59725
Michael J McGinley	Beaverhead County Commissioner	same
Garth Haugland	Beaverhead County Commissioner	same
Debby Barrett	House Representative Dist 72	18580 MT Hwy 324, Dillon, MT 59725-9657
Bill Tash	Senate Dist 36	240 vista Drive, Dillon, MT 59725-3111
Rick Ripley	House Representative (R)	8920 MT Hwy 200, Wolf Creek, MT 59648
John Cobb	Senate (R)	P.O. Box 388, Augusta, MT 59410
John And Phyllis Erb	Owners, Erb Livestock Corp and nominating lessee	540 Skyline Dr., Dillon, MT 59725
Mary Sexton	DNRC Director	email
Joe Lamson	DNRC Deputy Director	email
Tom Schultz	DNRC TLMD	email
Kevin Chappell	DNRC Ag./Grz. Mngt.	email
Monty Mason	DNRC Mineral Mngt.	email
David Groeschl	DNRC Forest Mngt.	email
Jeanne Holmgren	DNRC Real Estate Mngt.	email
John Grimm	DNRC Land Banking Supervisor	email
Tom Hughes	DNRC Hydrologist	email
Pat Rennie	DNRC Archaeologist	email
Pat Flowers	R-3 DFWP – Regional Supervisor	1400 South 19 <sup>th</sup> , Bozeman, MT 59718
Kurt Alt	FWP – Wildlife Manager	same
Sam Sheppard	FWP-Warden Captain	same
Ann Hedges	Montana Environmental	P.O. Box 1184, Helena, MT 59624

	Information Center	
Bill Orsello	Montana Wildlife Federation	P.O. Box 1175, Helena, MT 59624
Stan Frasier	Montana Wildlife Federation	P.O. Box 1175, Helena, MT 59624
Larry Copenhaver	Montana Wildlife Federation	P.O. Box 1175, Helena, MT 59624
Craig Sharpe	Montana Wildlife Federation	P.O. Box 1175, Helena, MT 59624
Bob Vogel	Montana School Boards Association	1 South Montana Ave., Helena, MT 59601
Daniel Berube		27 Cedar Lake Dr., Butte, MT 59701
Ellen Engstedt	Montana Wood Products	P.O. Box 1149, Helena, MT 59624
Harold Blattie	Montana Association of Counties	2715 Skyway Dr., Helena, MT 59601
Janet Ellis	Montana Audubon Society	P.O. Box 595, Helena, MT 59624
Leslie Taylor	MSU Bozeman	P.O. Box 172440, Bozeman, MT 59717
Nancy Schlepp	Montana Farm Bureau Federation	502 – 19 <sup>th</sup> , Suite 4, Bozeman, MT 59715
Ray Marxer	Matador Cattle Company	9500 Blacktail Road, Dillon, MT 59725
Rosi Keller	University of Montana	32 Campus Drive, Missoula, MT 59812
Caroline Sime	The Wildlife Society, Montana Chapter	P.O. Box 1446, Helena, MT 59624
Jack Atcheson, Sr.		3210 Ottawa, Butte, MT 59701
Darold Bennett		5305 Sixth Ave. S., Great Falls, MT 59405
Tribal Historic Preservation Office	Confederated Salish & Kootenai Tribe	P.O. Box 278, Pablo, MT 59855
Dillon Tribune (weekly)	Legal Notice (3/19 & 3/26)	
Montana Standard (daily)	Legal Notice (3/16- 3/28)	
Leroy Mehring	Skyline Sportsmen's Assoc. Inc	PO Box 173, Butte, MT 59701
Tony Schoonen	Montana action for Access	PO Box 2, Ramsay, MT 59748
Lorry Thomas	Anaconda Sportsman	32 cherry St., Anaconda, MT 59711
Curtis Kruer	Ranch Maps	105 ½ Mill St. Sheridan, MT 59749

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